

## **FACT CHECK: Spending Cut Agreement Takes Away Administration's "License to Spend," Cuts \$315 Billion Over Ten Years**

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The nonpartisan Congressional Budget Office (CBO) confirms that the spending cut agreement on the House floor tomorrow will cut spending by nearly \$40 billion – or \$78.5 billion less than President Obama proposed in his FY 2011 budget. [These are real cuts](#) and will result in \$315 billion worth of savings over the next decade.

Now, an article in [POLITICO](#) offers misleading Democratic spin that the agreement will result in smaller savings than advertised between now and September. Here's a quick fact check:

In this legislation we're dealing with budget authority. Budget authority is how much an agency is allowed to spend on a given program – it is literally the license to spend taxpayer dollars.

In Washington terms, "outlays" are how much an agency actually spends over time based on current and prior budget authority. This is what Democrats are referring to: how much these agencies can (and may) spend over the next few months versus how much Congress is cutting from their budgets. And it's misleading.

**The final agreement cuts nearly \$40 billion in budget authority – taking away the Administration's license to spend that money – which will result in deficit savings of \$315 billion over the next decade.**

If House Republicans didn't take a stand on behalf of the American people, the Democrats who run Washington would be spending that \$315 billion and more over the next ten years. It's that simple.

This agreement "literally changes the direction of federal spending," in the words of Stanford economist [John B. Taylor](#). It is one small step in the right direction and will clear the deck for action on [Chairman Ryan's budget](#), which will cut trillions of dollars to create a better environment for job growth, protect Medicare and Medicaid, and put us on a path to pay down the national debt.